

Budgeting by Program and Function

A program is a group of related activities performed by one or more RC's for the purpose of accomplishing one general activity, i.e.--Law Enforcement.

Program budgets provide the best method of assessing the total cost for providing a service in Mesa. In the Law Enforcement Program, the cost to provide police services are not all captured in the budgets of the various Police Department RC's. Many other City departments also supply services and equipment to the Police Department, which are necessary for Police personnel to perform their duties. Equipment and services include: patrol cars and fleet repairs provided by the Fleet Support Services Division; hand-held and mobile radios provided by the Communications Division; and computer equipment provided by the Information Services Division.

To capture the true cost of providing law enforcement services, the expense of the services and equipment are allocated to the Law Enforcement Program via functions. Under this arrangement, the program budget differs greatly from that of the department's budget, but provides a better reflection of actual expenditures needed to provide the service.

A function is an activity or group of activities within a program. Like RC's, each program and its associated functions are given a number for tracking purposes. These functions identify all of the various activities that contribute to a program's expenses.

Budgeting by Program and Function

Depending on the program, functions may then be divided further into activities and sub-activities. For example, the City's Aquatics Program is as follows:

Aquatics Program - 7400	
Admin. & General – Aquatics 7410	
Departmental A & G Aquatics – 7411	\$280,016
(Sources include RC's 211, 245 and 382)	
A&G Overhead Aquatics – 7412	\$262,434
(Sources include RC's 109, 111, 112 and others)	
Aquatics Sales Tax Related – 7419	\$553,914
(Source from RC 245)	
Capital Outlay – Aquatics 7420	
General Fund Aquatics – 7422	\$ 35,292
(Sources include RC's 161 and 194)	
Quality of Life Fund Aquatics – 7429	\$384,450
(Sources include RC's 310 and 340)	
Aquatics Operations & Maintenance – 7440	
Aquatics Operations – 7441	\$985,458
(Source from RC 245)	
Aquatics Maintenance – 7451	\$668,436
(Source from RC 245)	
Aquatics Program Total	\$3,170,000

Total appropriations identified in the RC budget match total appropriations identified in the function budgets.

The following schedules summarize the City's program expenditures:

Budgeting by Program and Function

PROGRAM EXPENDITURES FOR OPERATING BUDGET

PROGRAM	FY 2001/2002 ACTUAL EXPENDITURES	- FY 2002/2003 EXPENDITURES -		FY 2003/2004 ADOPTED BUDGET	FY 2004/2005 PROPOSED BUDGET
		ADOPTED BUDGET	CONTINGENCY ALLOCATIONS		
GENERAL GOVERNMENT PROGRAMS					
LEGISLATIVE	\$ 1,531,076	\$ 1,317,000	\$ (1,604)	\$ 1,205,000	\$ 1,248,000
EXECUTIVE	\$ 1,555,114	\$ 1,934,000	\$ (690)	\$ 1,682,000	\$ 1,729,000
WILLIAMS GATEWAY	\$ 4,987,687	\$ 4,968,000	\$ 0	\$ 3,977,000	\$ 5,040,000
REDEVELOPMENT	\$ 4,735,270	\$ 4,796,000	\$ 23,941	\$ 5,666,000	\$ 4,318,000
JUDICIAL	\$ 7,627,663	\$ 8,705,000	\$ (4,612)	\$ 8,132,000	\$ 8,194,000
LEGAL	\$ 3,025,176	\$ 3,490,000	\$ (2,100)	\$ 3,475,000	\$ 3,627,000
BUILDING MAINTENANCE	\$ 964,894	\$ 935,000	\$ 26,418	\$ 1,108,000	\$ 1,080,000
CITY CLERK	\$ 935,650	\$ 1,190,000	\$ (1,032)	\$ 1,196,000	\$ 822,000
ECONOMIC DEVELOPMENT	\$ 1,296,596	\$ 1,264,000	\$ 16,250	\$ 1,319,000	\$ 1,146,000
ENGINEERING	\$ 2,381,715	\$ 3,973,000	\$ 122,959	\$ 2,744,000	\$ 3,082,000
FINANCIAL SERVICES	\$ 2,978,292	\$ 3,407,000	\$ (6,231)	\$ 3,203,000	\$ 3,306,000
E-STREETS & CABLE TV LICENSE	\$ 985,713	\$ 884,000	\$ 158,000	\$ 1,168,000	\$ 1,426,000
GENERAL SERVICES	\$ 4,074,051	\$ 4,073,000	\$ 141,344	\$ 7,465,000	\$ 7,722,000
PLANNING	\$ 3,314,940	\$ 3,703,000	\$ 84,946	\$ 3,706,000	\$ 3,837,000
CAPITAL IMPROV & OPERATIONS	\$ 4,463,923	\$ 3,363,000	\$ 25,610	\$ 2,280,000	\$ 5,236,000
TOTAL	\$ 44,857,760	\$ 48,002,000	\$ 583,199	\$ 48,326,000	\$ 51,813,000
PUBLIC SAFETY PROGRAMS					
LAW ENFORCEMENT	\$ 113,406,358	\$ 117,596,000	\$ 345,532	\$ 121,277,000	\$ 124,952,000
FIRE	\$ 42,093,192	\$ 46,524,000	\$ 74,055	\$ 47,104,000	\$ 48,230,000
BUILDING INSPECTION	\$ 6,646,775	\$ 7,552,000	\$ (655)	\$ 8,517,000	\$ 8,954,000
CODE COMPLIANCE	\$ 1,852,713	\$ 2,023,000	\$ (1,032)	\$ 1,906,000	\$ 1,989,000
ENVIRONMENTAL MANAGEMENT	\$ 1,098,927	\$ 1,142,000	\$ 154,339	\$ 1,300,000	\$ 1,111,000
TOTAL	\$ 165,097,965	\$ 174,837,000	\$ 572,239	\$ 180,104,000	\$ 185,236,000
CULTURAL & RECREATION PROGRAMS					
GOLF COURSE	\$ 2,016,130	\$ 2,326,000	\$ 87,492	\$ 2,543,000	\$ 2,696,000
PARKS & RECREATION	\$ 27,638,095	\$ 30,823,000	\$ 94,137	\$ 27,482,000	\$ 27,067,000
CULTURAL	\$ 5,927,594	\$ 17,130,000	\$ 88,373	\$ 36,232,000	\$ 26,003,000
AQUATICS	\$ 2,673,048	\$ 13,010,000	\$ 191,218	\$ 3,170,000	\$ 2,925,000
LIBRARY	\$ 13,233,123	\$ 17,245,000	\$ 5,271	\$ 13,026,000	\$ 13,835,000
COMMUNITY AID	\$ 1,387,102	\$ 1,650,000	\$ 0	\$ 2,036,000	\$ 2,123,000
MESA CENTENNIAL CENTER	\$ 3,029,964	\$ 3,142,000	\$ 154,213	\$ 4,137,000	\$ 4,326,000
SOUTHWEST MUSEUM	\$ 2,540,825	\$ 2,756,000	\$ 159,363	\$ 2,771,000	\$ 2,787,000
MUSEUM FOR YOUTH	\$ 996,719	\$ 2,595,000	\$ (141)	\$ 1,427,000	\$ 1,449,000
NEIGHBORHOOD/COMM ASSIST.	\$ 3,898,211	\$ 3,694,000	\$ (688)	\$ 3,674,000	\$ 3,753,000
TOTAL	\$ 63,340,811	\$ 94,371,000	\$ 779,238	\$ 96,498,000	\$ 86,964,000
COMMUNITY ENVIRONMENT PROGRAMS					
CEMETERY	\$ 833,030	\$ 823,000	\$ (296)	\$ 933,000	\$ 979,000
COMMUNITY DEVELOPMENT	\$ 5,632,385	\$ 8,620,000	\$ 0	\$ 9,358,000	\$ 7,088,000
STREETS	\$ 37,736,617	\$ 36,363,000	\$ 838,441	\$ 30,209,000	\$ 29,866,000
ELECTRIC	\$ 24,146,650	\$ 25,022,000	\$ 221,909	\$ 22,905,000	\$ 22,614,000
GAS	\$ 21,212,281	\$ 20,338,000	\$ 27,821	\$ 22,452,000	\$ 22,871,000
WATER	\$ 47,523,531	\$ 48,321,000	\$ 443,702	\$ 53,484,000	\$ 42,782,000
WASTEWATER	\$ 35,482,834	\$ 38,490,000	\$ 38,233	\$ 29,659,000	\$ 32,138,000
SOLID WASTE MANAGEMENT	\$ 21,988,599	\$ 21,975,000	\$ 354,381	\$ 21,819,000	\$ 23,192,000
MESA HOUSING SERVICES	\$ 10,063,571	\$ 11,641,000	\$ 0	\$ 12,453,000	\$ 15,159,000
STORM SEWER	\$ 7,072,697	\$ 7,221,000	\$ 24	\$ 4,330,000	\$ 5,036,000
AIRPORT	\$ 3,397,581	\$ 6,012,000	\$ 117,636	\$ 8,863,000	\$ 7,629,000
MASS TRANSIT	\$ 12,677,406	\$ 29,807,000	\$ (177,585)	\$ 22,112,000	\$ 24,732,000
FLEET SUPPORT SERVICES	\$ 340,830	\$ 79,000	\$ 23,891	\$ 118,000	\$ 463,000
WAREHOUSE	\$ 119,768	\$ 4,000	\$ (481)	\$ 4,000	\$ 2,000
MISCELLANEOUS SERVICES	\$ 942,406	\$ 797,000	\$ 55,713	\$ 764,000	\$ 780,000
CONTINGENCIES - GENERAL	\$ 0	\$ 58,744,000	\$ (1,188,800)	\$ 50,281,000	\$ 38,057,000
CONT RESERVE PRIOR YR ENCUMB	\$ 0	\$ 2,985,000	\$ (2,689,265)	\$ 3,559,000	\$ 0
TOTAL	\$ 229,170,186	\$ 317,242,000	\$ (1,934,676)	\$ 293,303,000	\$ 273,388,000
TOTAL OPERATING PROGRAMS	\$ 502,466,722	\$ 634,452,000	\$ 0	\$ 618,231,000	\$ 597,401,000

Budgeting by Program and Function

PROGRAM EXPENDITURES FOR OPERATING BUDGET FISCAL YEAR 2003/2004

PROGRAM	OPERATIONS EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	CONTINGENCIES	ADOPTED BUDGET
GENERAL GOVERNMENT PROGRAMS					
LEGISLATIVE	\$ 1,200,715	\$ 4,285			\$ 1,205,000
EXECUTIVE	\$ 1,671,587	\$ 10,413			\$ 1,682,000
WILLIAMS GATEWAY	\$ 3,967,568	\$ 9,432			\$ 3,977,000
REDEVELOPMENT	\$ 1,578,034	\$ 4,087,966			\$ 5,666,000
JUDICIAL	\$ 8,011,551	\$ 120,431	\$ 18		\$ 8,132,000
LEGAL	\$ 3,458,985	\$ 16,015			\$ 3,475,000
BUILDING MAINTENANCE	\$ 1,059,235	\$ 48,765			\$ 1,108,000
CITY CLERK	\$ 1,191,463	\$ 4,537			\$ 1,196,000
ECONOMIC DEVELOPMENT	\$ 1,314,729	\$ 4,271			\$ 1,319,000
ENGINEERING	\$ 2,713,714	\$ 30,286			\$ 2,744,000
FINANCIAL SERVICES	\$ 3,166,692	\$ 36,308			\$ 3,203,000
E-STREETS & CABLE TV LICENSE	\$ 729,792	\$ 438,208			\$ 1,168,000
GENERAL SERVICES	\$ 7,109,788	\$ 355,212			\$ 7,465,000
PLANNING	\$ 3,624,062	\$ 81,938			\$ 3,706,000
CAPITAL IMPROV & OPERATIONS	\$ 1,067,802	\$ 866,052	\$ 346,146		\$ 2,280,000
TOTAL	\$ 41,865,717	\$ 6,114,119	\$ 346,164	\$ 0	\$ 48,326,000
PUBLIC SAFETY PROGRAMS					
LAW ENFORCEMENT	\$ 113,824,161	\$ 4,635,504	\$ 2,817,335		\$ 121,277,000
FIRE	\$ 44,315,674	\$ 1,124,783	\$ 1,663,543		\$ 47,104,000
BUILDING INSPECTION	\$ 7,903,970	\$ 613,030			\$ 8,517,000
CODE COMPLIANCE	\$ 1,898,525	\$ 7,475			\$ 1,906,000
ENVIRONMENTAL MANAGEMENT	\$ 1,018,401	\$ 281,599			\$ 1,300,000
TOTAL	\$ 168,960,731	\$ 6,662,391	\$ 4,480,878	\$ 0	\$ 180,104,000
CULTURAL & RECREATION PROGRAMS					
GOLF COURSE	\$ 2,263,350	\$ 223,738	\$ 55,912		\$ 2,543,000
PARKS & RECREATION	\$ 20,658,620	\$ 3,912,324	\$ 2,911,056		\$ 27,482,000
CULTURAL	\$ 3,401,097	\$ 32,830,903			\$ 36,232,000
AQUATICS	\$ 2,750,258	\$ 419,742			\$ 3,170,000
LIBRARY	\$ 12,473,390	\$ 76,091	\$ 476,519		\$ 13,026,000
COMMUNITY AID	\$ 2,036,000				\$ 2,036,000
MESA CENTENNIAL CENTER	\$ 4,116,431	\$ 20,569			\$ 4,137,000
SOUTHWEST MUSEUM	\$ 2,762,476	\$ 8,524			\$ 2,771,000
MUSEUM FOR YOUTH	\$ 1,399,265	\$ 27,735			\$ 1,427,000
NEIGHBORHOOD/COMM ASSIST.	\$ 3,666,525	\$ 7,475			\$ 3,674,000
TOTAL	\$ 55,527,412	\$ 37,527,101	\$ 3,443,487	\$ 0	\$ 96,498,000
COMMUNITY ENVIRONMENT PROGRAMS					
CEMETERY	\$ 931,841	\$ 1,159			\$ 933,000
COMMUNITY DEVELOPMENT	\$ 6,681,081	\$ 2,676,919			\$ 9,358,000
STREETS	\$ 22,292,943	\$ 2,464,976	\$ 5,451,081		\$ 30,209,000
ELECTRIC	\$ 18,034,354	\$ 4,315,646	\$ 555,000		\$ 22,905,000
GAS	\$ 20,729,833	\$ 452,627	\$ 1,269,540		\$ 22,452,000
WATER	\$ 28,592,934	\$ 424,847	\$ 24,466,219		\$ 53,484,000
WASTEWATER	\$ 15,116,443	\$ 490,714	\$ 14,051,843		\$ 29,659,000
SOLID WASTE MANAGEMENT	\$ 20,366,425	\$ 664,713	\$ 787,862		\$ 21,819,000
MESA HOUSING SERVICES	\$ 12,419,687	\$ 33,313			\$ 12,453,000
STORM SEWER	\$ 2,479,242	\$ 32	\$ 1,850,726		\$ 4,330,000
AIRPORT	\$ 1,466,146	\$ 7,396,854			\$ 8,863,000
MASS TRANSIT	\$ 9,218,248	\$ 12,893,752			\$ 22,112,000
FLEET SUPPORT SERVICES		\$ 118,000			\$ 118,000
WAREHOUSE		\$ 4,000			\$ 4,000
MISCELLANEOUS SERVICES	\$ 764,000				\$ 764,000
CONTINGENCIES - GENERAL				\$ 50,281,000	\$ 50,281,000
CONT RESERVE PRIOR YR ENCUMB				\$ 3,559,000	\$ 3,559,000
TOTAL	\$ 159,093,177	\$ 31,937,552	\$ 48,432,271	\$ 53,840,000	\$ 293,303,000
TOTAL OPERATING PROGRAMS	\$ 425,447,037	\$ 82,241,163	\$ 56,702,800	\$ 53,840,000	\$ 618,231,000

Budgeting by Program and Function

PROGRAM EXPENDITURES FOR OPERATING BUDGET FISCAL YEAR 2004/2005

PROGRAM	OPERATIONS EXPENDITURES	CAPITAL OUTLAY	DEBT SERVICE	CONTINGENCIES	PROPOSED BUDGET
GENERAL GOVERNMENT PROGRAMS					
LEGISLATIVE	\$ 1,245,691	\$ 2,309			\$ 1,248,000
EXECUTIVE	\$ 1,723,391	\$ 5,609			\$ 1,729,000
WILLIAMS GATEWAY	\$ 5,030,083	\$ 9,917			\$ 5,040,000
REDEVELOPMENT	\$ 1,605,272	\$ 2,712,728			\$ 4,318,000
JUDICIAL	\$ 7,927,592	\$ 266,390	\$ 18		\$ 8,194,000
LEGAL	\$ 3,618,375	\$ 8,625			\$ 3,627,000
BUILDING MAINTENANCE	\$ 1,078,273	\$ 1,727			\$ 1,080,000
CITY CLERK	\$ 819,556	\$ 2,444			\$ 822,000
ECONOMIC DEVELOPMENT	\$ 1,143,699	\$ 2,301			\$ 1,146,000
ENGINEERING	\$ 3,061,074	\$ 20,926			\$ 3,082,000
FINANCIAL SERVICES	\$ 3,286,445	\$ 19,555			\$ 3,306,000
E-STREETS & CABLE TV LIC.	\$ 784,025	\$ 641,975			\$ 1,426,000
GENERAL SERVICES	\$ 7,381,240	\$ 340,760			\$ 7,722,000
PLANNING	\$ 3,827,366	\$ 9,634			\$ 3,837,000
CAPITAL IMPROV & OPERATIONS	\$ 23,890	\$ 4,855,819	\$ 356,291		\$ 5,236,000
TOTAL	\$ 42,555,972	\$ 8,900,719	\$ 356,309	\$ 0	\$ 51,813,000
PUBLIC SAFETY PROGRAMS					
LAW ENFORCEMENT	\$ 119,913,197	\$ 1,877,952	\$ 3,160,851		\$ 124,952,000
FIRE	\$ 45,878,956	\$ 527,884	\$ 1,823,160		\$ 48,230,000
BUILDING INSPECTION	\$ 8,763,795	\$ 190,205			\$ 8,954,000
CODE COMPLIANCE	\$ 1,984,974	\$ 4,026			\$ 1,989,000
ENVIRONMENTAL MANAGEMENT	\$ 1,080,139	\$ 30,861			\$ 1,111,000
TOTAL	\$ 177,621,061	\$ 2,630,928	\$ 4,984,011	\$ 0	\$ 185,236,000
CULTURAL & RECREATION PROGRAMS					
GOLF COURSE	\$ 2,373,478	\$ 264,546	\$ 57,976		\$ 2,696,000
PARKS & RECREATION	\$ 21,619,736	\$ 2,268,308	\$ 3,178,956		\$ 27,067,000
CULTURAL	\$ 7,358,401	\$ 18,644,599			\$ 26,003,000
AQUATICS	\$ 2,844,845	\$ 80,155			\$ 2,925,000
LIBRARY	\$ 13,297,133	\$ 56,444	\$ 481,423		\$ 13,835,000
COMMUNITY AID	\$ 2,123,000				\$ 2,123,000
MESA CENTENNIAL CENTER	\$ 4,323,269	\$ 2,731			\$ 4,326,000
SOUTHWEST MUSEUM	\$ 2,782,409	\$ 4,591			\$ 2,787,000
MUSEUM FOR YOUTH	\$ 1,447,526	\$ 1,474			\$ 1,449,000
NEIGHBORHOOD/COMM ASSIST.	\$ 3,748,975	\$ 4,025			\$ 3,753,000
TOTAL	\$ 61,918,772	\$ 21,326,873	\$ 3,718,355	\$ 0	\$ 86,964,000
COMMUNITY ENVIRONMENT PROGRAMS					
CEMETERY	\$ 978,376	\$ 624			\$ 979,000
COMMUNITY DEVELOPMENT	\$ 5,749,949	\$ 1,338,051			\$ 7,088,000
STREETS	\$ 22,820,027	\$ 666,292	\$ 6,379,681		\$ 29,866,000
ELECTRIC	\$ 18,940,596	\$ 3,102,404	\$ 571,000		\$ 22,614,000
GAS	\$ 20,685,969	\$ 483,473	\$ 1,701,558		\$ 22,871,000
WATER	\$ 30,614,746	\$ 381,085	\$ 11,786,169		\$ 42,782,000
WASTEWATER	\$ 16,070,569	\$ 979,139	\$ 15,088,292		\$ 32,138,000
SOLID WASTE MANAGEMENT	\$ 21,813,061	\$ 516,653	\$ 862,286		\$ 23,192,000
MESA HOUSING SERVICES	\$ 15,155,692	\$ 3,308			\$ 15,159,000
STORM SEWER	\$ 2,527,444	\$ 17	\$ 2,508,539		\$ 5,036,000
AIRPORT	\$ 1,533,648	\$ 6,095,352			\$ 7,629,000
MASS TRANSIT	\$ 8,824,705	\$ 15,907,295			\$ 24,732,000
FLEET SUPPORT SERVICES		\$ 463,000			\$ 463,000
WAREHOUSE		\$ 2,000			\$ 2,000
MISCELLANEOUS SERVICES	\$ 780,000				\$ 780,000
CONTINGENCIES - GENERAL				\$ 38,057,000	\$ 38,057,000
TOTAL	\$ 166,494,782	\$ 29,938,693	\$ 38,897,525	\$ 38,057,000	\$ 273,388,000
TOTAL OPERATING PROGRAMS	\$ 448,590,587	\$ 62,797,213	\$ 47,956,200	\$ 38,057,000	\$ 597,401,000

Glossary of Terms

ACTIVITY - The purpose/activity or group of sub-activities within a function/program for which the City is responsible.

ALLOCATION - Assigning one or more items of cost or revenue to one or more segments of an organization according to benefits received, responsibilities, or other logical measures of use.

ANNUALIZED COSTS - Operating costs incurred at annual rates for a portion of the prior fiscal year and which must be incurred at similar rates for the entire 12 months of the succeeding fiscal year.

APPROPRIATION - An authorization granted by the City Council to make expenditures and to incur obligations for purposes specified in the Appropriation Ordinance.

ASSESSED VALUATION - A valuation set upon real estate or other property by the County Assessor and the State as a basis for levying taxes. (Primary or Secondary).

BUDGET BASIS OF ACCOUNTING – The method used to determine when revenues and expenditures are recognized for budgetary purposes.

BOND - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specific rate.

BOND FUNDS - Are use to account for the purchase or construction of major capital facilities which are not financed by other funds. The use of bond funds is necessary to demonstrate that bond proceeds are spent only in amounts and for purposes authorized.

BONDS-GENERAL OBLIGATION - A limited tax bond which is paid for from utility system or other monies from the General Fund as is secured by the City's Option to implement an ad valorem secondary property tax.

BONDS-PROCEEDS - Debt issuances derived from the sale of bonds for the purpose of constructing major capital facilities.

BUDGET - A Financial plan consisting of an estimate of proposed expenditures and their purposes for a given period and the proposed means of financing them.

CAPITAL BUDGET - A financial plan of proposed capital expenditures and the means of financing them for the current fiscal period.

CAPITAL IMPROVEMENT PROGRAM - A plan separate from the Annual Budget that identifies: (a) all capital improvements which are proposed to be undertaken during a five fiscal year period; (b) the cost estimate for each improvement; (c) the method of financing each improvement; (d) the recommended time schedule for each project; and (e) the estimated annual operating and maintenance costs.

CAPITAL PROJECT - Any project having assets of significant value and having a useful life of one year or over. Capital projects include the purchase of land for design, engineering and construction of buildings and infrastructure items such as streets, bridges, drainage, street lighting, water system, etc. Capital projects are permanent attachments intended to remain with the land. Capital projects may include equipment and machinery or rolling stock being requisitioned, etc.

Glossary of Terms

CARRYFORWARD CAPITAL IMPROVEMENT PROJECT - Any capital project that has been previously approved by the Mayor and Council but has not been implemented on schedule. Under the State laws and generally accepted accounting principals only those costs relating to work actually done on or before the last day of the fiscal year can be reflected on the financial statements of that fiscal year. To avoid having to charge the project costs estimated to be incurred in a subsequent fiscal year as an unbudgeted item for that year and therefore a violation of State budget law, such project and the associated projected costs are included in the subsequent year's budget.

COMMODITIES - Expendable items used by operating or construction activities. Examples include office supplies, repair and replacement parts for equipment, fuels and lubricants etc.

COMMUNITY ENVIRONMENT PROGRAMS - Refers to the following group of programs: Cemetery, Community Development, Streets, Electric, Gas, Water, Wastewater, Solid Waste Management, Mesa Housing Authority, Storm Sewer, Airport, Mass Transit, Fleet Support Services, Warehouse and Miscellaneous Services.

CONSTRUCTED CAPITAL OUTLAY - Capital items constructed by in-house personnel and may contain other service costs and commodities costs.

CULTURAL-RECREATIONAL PROGRAMS - Refers to the following group of programs: Golf Courses, Parks and Recreation, Cultural, Aquatics, Library, Community Aid, Mesa Centennial Center, Southwest Museum, Museum For Youth, Neighborhood Services & Community Assistance.

DEBT SERVICE - Payment of principal, interest, and related service charges on obligations resulting from the issuance of bonds.

EMPLOYEE BENEFIT SELF-INSURANCE FUND – Established to account for the costs of maintaining the City's self-insurance health program.

ENCUMBRANCES - Obligations in the form of purchase orders, or contracts, which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise liquidated.

ENTERPRISE - A specific program within the Enterprise or Internal Service Fund that is set up to report the entire activity of a specific City business such as Electric, Gas, etc.

EQUIPMENT - An item of machinery or furniture having a unit cost of \$5,000 or more and an estimated useful life of more than one year. Capital improvements such as acquisition of land, building construction and architects' fees are in the capital budget and are not considered equipment items.

FISCAL YEAR - A 12-month period of time to which the Annual Budget applies and at the end of which a governmental unit determines its financial position and the results of its operations. For the City of Mesa, it is July 1, through June 30.

FULL-TIME EQUIVALENT POSITIONS - A position converted to a decimal equivalent of a full-time position based on 2,080 hours per year (ie., not including holiday and overtime). For example, a summer lifeguard working for four months, or 690 hours, would be equivalent to .3 of a full-time position.

Glossary of Terms

FUND - An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources, together with all related liabilities, for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations.

FUND BALANCES - The balance of operating funds brought forward from prior years.

GENERAL GOVERNMENT PROGRAMS - Refers to a group of programs associated with the administrative functions of the City. These are: Legislative, Executive, Williams Gateway Economic Activity Area, Redevelopment, Judicial, Legal, Building Maintenance, City Clerk, Economic Development, Engineering, Financial Services, E-Streets & Cable TV Licensing, General Services, Planning and Capital Improvement and Operations.

INTER-ACTIVITY TRANSFERS - Are transactions that would be treated as revenues, expenditures, or expenses if they involved parties external to the government. Charges may be against other organizations or funds.

NON-CAPITALIZED ASSET - An item of machinery or furniture having a unit cost of less than \$5,000.

NON-RECURRING REVENUE - Proceeds of general obligation and revenue bonds and other revenues restricted to capital improvement projects.

OPERATING BUDGET - A budget, which applies to all outlays other than Bond capital improvements and Trust funds.

OPERATING FUNDS - Resources derived from recurring revenue sources used to finance recurring operating expenditures and pay-as-you-go capital expenditures.

OUTSIDE AGENCIES - Refers to a group of organizations, which are not associated with or can be allocated to any particular Department. These organizations are: Intergovernmental Agreements, Master Operating Agreements, Memoranda of Understanding, Financial Participation Agreements, and Boards, Committees, and Commissions.

PERSONAL SERVICES - All employers costs related to compensating employees of the City of Mesa, including employee fringe benefit costs such as City portions of retirement, social security, health and industrial insurance.

PRIMARY PROPERTY TAXES - All ad valorem taxes except for secondary property taxes. Reference ARS 42-201.

PRIMARY TAX RATE - The rate per one hundred dollars of assessed value employed in the levy of primary taxes. Reference ARS 42-304. The assessed value is the basis for computing taxes for the maintenance and operation of school districts, cities, community college districts, and the State. The "limited" value increased by ten percent or the current year's full cash value whichever is lower unless the property has been altered since the previous year. There is a one percent ceiling on the amount of primary taxes that can be levied on owner occupied homes and mobile homes.

PROPERTY AND PUBLIC LIABILITY SELF- INSURANCE FUND – Established to account for the cost of claims incurred by the City under a self- insurance program.

PUBLIC SAFETY PROGRAMS - Contain the following programs: Law Enforcement, Fire, Building Inspection, Code Compliance, and Environmental Management.

Glossary of Terms

PURCHASED CAPITAL OUTLAY - Acquisition of any item of capital that is complete in and of itself when it is purchased.

RECURRING REVENUES - Revenue sources available on a constant basis to support operating and capital budgetary needs.

(RER) – REPLACEMENT AND EXTENSION RESERVE FUND - Pursuant to the provisions of the Bond Resolution of the City of Mesa Utility System Revenue and Refunding bonds, Replacement and Reserve Funds are required to be established. A sum equal to 2 percent of the gross revenues, as determined on a modified accrual basis, must be deposited in the funds. These funds are set up for each Utility program: electric, natural gas, water, wastewater, and solid waste. The revenues deposited in each fund are available for replacement and extension expenses for program.

RESPONSIBILITY CENTER - The smallest unit of a budgetary accountability and control area where the people reside and the appropriated dollars are spent, which encompass specific and distinguishable lines of work performed by the organizational unit to accomplish a function/program/activity for which the City is responsible. They may be at the Department, Division, Section, or Sub-section level.

RESTRICTED REVENUES - Are legally restricted to be used for a specific purpose as defined by Federal, State or local governments.

REVENUES - Amounts estimated to be received from taxes and other sources.

SECONDARY PROPERTY TAXES - Ad valorem taxes or special property assessments used to pay the principal of and the interest and redemption charges on any bonded indebtedness or other lawful long-term obligation issued or incurred for a specific purpose by a municipality and amounts raised by ad valorem taxes or assessments levied by or for assessment districts and for limited purpose districts other than school districts and community colleges pursuant to an election to temporarily exceed (not to exceed one year) budget expenditure, or tax limitation. Reference ARS 42-201.

SECONDARY TAX RATE - The rate per one hundred dollars of assessed value employed in the levy of secondary taxes. The assessed value derived from the current full cash value (market value) is the basis for computing taxes for budget overrides, bonds and sanitary, fire and other special districts. Reference ARS 42-304.

SERVICES/OTHER SERVICES - REGULAR - Include: outside professional services, public utility services, travel, rents, insurance, etc.

STREET AND HIGHWAY BONDS - Bonds which are secured by the City's Highway User Revenues and used for construction of street, highway and related capital projects.

TAX LEVY - The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

TAX RATE - The amount of tax levied for each \$100 of assessed valuation.

WORKERS' COMPENSATION SELF-INSURANCE FUND – Established to account for the costs of maintaining a self-insurance program for industrial insurance at the City.